



SMALL BUSINESS ADMINISTRATION

Reporting and recordkeeping requirements under OMB review

AGENCY: Small Business Administration.

ACTION: 30-Day Notice.

SUMMARY: The Small Business Administration (SBA) is seeking approval from the Office of Management and Budget (OMB) for the information collection described below. In accordance with the Paperwork Reduction Act and OMB procedures, SBA is publishing this notice to allow all interested member of the public an additional 30 days to provide comments on the proposed collection of information.

DATES: Submit comments on or before [INSERT DATE 30 DAYS AFTER THE DATE OF PUBLICATION IN THE FEDERAL REGISTER]

ADDRESSES: Written comments and recommendations for this information collection request should be sent within 30 days of publication of this notice to www.reginfo.gov/public/do/PRAMain. Find this particular information collection request by selecting “Small Business Administration”; “Currently Under Review,” then select the “Only Show ICR for Public Comment” checkbox. This information collection can be identified by title and/or OMB Control Number.

FOR FURTHER INFORMATION CONTACT: You may obtain a copy of the information collection and supporting documents from the Agency Clearance Office at Curtis.Rich@sba.gov; (202) 205-7030, or from www.reginfo.gov/public/do/PRAMain

SUPPLEMENTARY INFORMATION:

SBA Form 1050, Settlement Sheet is used in SBA’s 7(a) Loan Program to collect information from lenders and borrowers regarding the disbursement of loan proceeds.

SBA relies on this information during the guaranty purchase review process as a component in determining whether to honor a loan guaranty. The current form includes

1050 Settlement Sheet instructions for the lender. The currently approved form primarily requires the lender and borrower to certify to whether they complied with a series of loan requirements. The current form also requires submission of documentation (e.g., joint payee or cancelled checks, invoices or paid receipts, and wire transfer records) in support of the certification. SBA has determined that the section for “Authorized Use of Proceeds” does not include in the Settlement Sheet all the categories for “Use of Proceeds” this addition to the 1050 Settlement Sheet would enable the agency to effectively monitor compliance with loan disbursement procedures and will align with the “Use of Proceeds” categories for 7(a) loans. As a result, SBA is proposing to change both the content and format of the Form 1050.

The form will be divided into several sections to clearly identify the information to be submitted. The revised form will continue to collect the same basic identifying information such as loan amount, loan number and lender’s name. In addition, the form will continue to require certifications from both the lender and borrower regarding compliance with the disbursement requirements and accuracy of information submitted. In the section for “Authorized Use of Proceeds,” the revised 1050 Settlement Sheet will include “Land Acquisitions with or without improvements”, “Leasehold Improvements to property owned by applicant or owned by others”, “Export Working Capital (EWCP or Export Express)”, “Support Standby Letter of Credit (EWCP or Export Express)”, “Refinance Existing (EWCP) or Export LOC (EWCP)”, “Business Acquisition/Change of Ownership”, “Pay off SBA Loan, SID or Other Lender”, “Pay Notes Payable, SID or Other Lender”, “Pay Accounts Payable.” These changes will allow the lender to document all the sources and uses of funds at the time of loan closing more clearly. This additional information will better allow both lenders and SBA staff to ensure that the necessary information is collected at the time of loan origination.

Solicitation of Public Comments:

Comments may be submitted on (a) whether the collection of information is necessary for the agency to properly perform its functions; (b) whether the burden estimates are accurate; (c) whether there are ways to minimize the burden, including through the use of automated techniques or other forms of information technology; and (d) whether there are ways to enhance the quality, utility, and clarity of the information.

OMB Control 3245-0200

Title: Settlement Statement

Description of Respondents: SBA Lenders and Borrowers

Estimated Number of Respondents: 52,000

Estimated Annual Responses: 52,000

Estimated Annual Hour Burden: 14,112

Curtis Rich,
Agency Clearance Officer.

[FR Doc. 2022-08717 Filed: 4/22/2022 8:45 am; Publication Date: 4/25/2022]